

TOWNSHIP OF MEYER
AUDITED FINANCIAL STATEMENTS
REQUIRED SUPPLEMENTAL INFORMATION
AND SUPPLEMENTAL REPORT
YEAR ENDED MARCH 31, 2008

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name MEYER TOWNSHIP	County MENOMINEE
Audit Date MARCH 31, 2008	Opinion Date JUNE 27, 2008	Date Accountant Report Submitted to State: JUNE 27, 2008	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.


We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU):			X

Certified Public Accountant (Firm Name) RAY PAYMENT, CPA			
Street Address 617 LUDINGTON STREET	City ESCANABA	State MI	ZIP 49829
Accountant Signature 			

CONTENTS

Audited Financial Statements:

	<u>Page</u>
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis.....	3-9
Basic Financial Statements:	
Statement of Net Assets.....	10
Statement of Net Activities.....	11
Balance Sheet - Governmental Funds.....	12
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets.....	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expendi- tures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Assets - Proprietary Funds.....	16
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds.....	17
Statement of Cash Flows - Proprietary Funds.....	18
Fiduciary Funds - Statement of Net Assets.....	19
Notes to Financial Statements.....	20-32

Required Supplemental Information

General Fund Budgetary Comparison Schedule.....	33
---	----

Other Supplemental Information

Non-Major Governmental Funds Combining Balance Sheet..	34
Non-Major Governmental Funds Combining Statement of Revenue, Expenditures and Changes in Fund Balances.	35
Detail Schedule of General Fund Expenditures.....	36
Statement of Changes in Assets and Liabilities - Fiduciary Funds.....	37
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards.....	A-1
Schedule of Findings.....	B-1

RAYMOND L. PAYMENT
CERTIFIED PUBLIC ACCOUNTANT

617 LUDINGTON STREET
ESCANABA, MICHIGAN 49829
PHONE: 906-786-8520
FAX: 906-786-8521

PROFESSIONAL BUILDING
STEPHENSON, MICHIGAN 49887
PHONE: 906-753-4700

June 27, 2008

INDEPENDENT AUDITOR'S REPORT

To The Township Board
Township of Meyer
Menominee County, Michigan

I have audited the accompanying financial statements of the governmental activities and business-type activities of the Township of Meyer, Menominee County, Michigan as of and for the year ended March 31, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the Township's management. My responsibility is to express opinions on these basic financial statements based on my audit.

Except as discussed in the following paragraph, I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

The financial statements of Component Unit Industrial Park have not been audited, and I was not engaged to audit the Industrial Park financial statements as part of my audit of the Township's basic financial statements.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the Industrial Park's financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units for the Township of Meyer, as of March 31, 2008, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Township of Meyer, as of March 31, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Governmental Auditing Standards, I have also issued a report dated June 27, 2008, on my consideration of the Township of Meyer's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Township of Meyer, Menominee County, Michigan, basic financial statements. The other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Ray Payment", with a stylized, cursive script.

Ray L. Payment
Certified Public Accountant

TOWNSHIP OF MEYER
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended March 31, 2008

This section of the Township of Meyer's annual financial report presents my discussion and analysis of the Township's performance during the year ended March 31, 2008. It is to be read in conjunction with the Township's financial statements, which immediately follow. This is a requirement of the Governmental Accounting Standards Board Statement No. 34 (GASB 34) Basic Financial Statements - and Managements Discussion and Analysis - for State and Local Governments, and is intended to provide the financial results for the year ending March 31, 2008. Because the Township did not prepare GASB Statements for the year ended March 31, 2007, prior year data is not available.

Financial Highlights

The assets of the Township of Meyer exceeded its liabilities as of March 31, 2008 by \$1,802,804 (net assets). Of this amount \$532,899 (unrestricted net assets) may be used to meet the Township's ongoing obligations to citizens and creditors. The total Township's net assets include infrastructure of the Township funds installed for April 1, 2003 to present.

The Township of Meyer's total net assets decreased by a net amount of \$4,137.

As of March 31, 2008, the Township's Governmental Funds reported combined ending fund balances of \$458,639, a decrease of \$9,044 in comparison with the prior year.

As of March 31, 2008, the reserved undesignated fund balance on the Governmental Funds was \$293,019.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Township of Meyer's basic financial statements. These basic financial statements are comprised of three component's: 1.) Government-wide financial statements, 2.) Fund financial statements and 3.) Notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statement

The Government-wide Financial Statements are designed to provide readers with a broad overview of the Township of Meyer's finances, in a manner similar to private-sector business.

The state of Net Assets presents information on all of the Township of Meyer's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township of Meyer is improving or deteriorating.

TOWNSHIP OF MEYER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Statements (Continued)

The Statement of Activities presents information showing how the Government's net assets have changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement of some items that will only result in cash flows in future fiscal periods.

Both of the Government-wide financial statements distinguish functions of the Township of Meyer that are principally supported by taxes and intergovernmental revenues (Governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Governmental activities of the Township of Meyer include general Government, public safety, public works and cemetery operations. The business-type activities of the Township of Meyer include the Sewer Utility.

The Government-wide financial statements can be found on pages 10 and 11 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township of Meyer, like other state and local Governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township of Meyer can be divided into three categories: Governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental Funds are used to account for essentially the same functions, reported as Governmental activities in the Government-wide financial statements. However, unlike the Government-wide financial statements, Governmental fund financial statements focus on near-term outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Government's near-term financing requirements.

Because the focus of Governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for Governmental funds with similar information presented for Governmental activities in the Government-wide financial statements. By doing so, readers may better understand the long-term impact of the Government's near-term financing decisions. Both the Governmental fund balance sheet and the Governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between Governmental funds and Governmental activities.

TOWNSHIP OF MEYER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Statements (Continued)

The basic Governmental fund financial statements can be found on pages 12 and 14 of this report.

Proprietary Funds

Proprietary funds are used to report the same functions presented as business-type activities in the Government-wide financial statements. Proprietary funds provide the same type of information as the Government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewer Utility which is considered to be a major fund.

The basic proprietary fund financial statements can be found of pages 16-18 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Government. Fiduciary funds are not reflected in the Government-wide financial statements because the resources of those funds are not available to support the Township of Meyer's programs. The fiduciary fund maintained by the Township of Meyer is the Tax Collection Fund which records the tax roll and tax collections for other taxing jurisdictions within the Township of Meyer.

The basic fiduciary fund financial statements can be found on page 26 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-32 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budgetary comparison statement of the General Fund to demonstrate compliance with the budget and complements the statement included in the basic Governmental fund financial statements. This statement can be found of page 33 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted, earlier, net assets may serve over time as a useful indicator of a Government's financial position. In the case of the Township of Meyer, assets exceeded liabilities by \$1,802,804 at the close of March 31, 2008.

TOWNSHIP OF MEYER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Township of Meyer's Net Assets

	Governmental Activities <u>March 31, 2008</u>	Business-Type Activities <u>March 31, 2008</u>	Total <u>March 31, 2008</u>
Current and other assets	\$ 298,308	\$ 248,282	\$ 546,590
Capital assets	223,595	1,182,555	1,406,150
Total Assets	<u>\$ 521,903</u>	<u>\$ 1,430,837</u>	<u>\$ 1,952,740</u>
Long-term liabilities outstanding	\$ 58,245	\$ 78,000	\$ 136,245
Other liabilities	5,289	8,402	13,691
	<u>\$ 63,534</u>	<u>\$ 86,402</u>	<u>\$ 149,936</u>
Net Assets:			
Invested in capital assets net of related debt	\$ 165,350	\$ 1,104,555	\$ 1,269,905
Unrestricted	293,019	239,880	532,899
	<u>\$ 458,369</u>	<u>\$ 1,344,435</u>	<u>\$ 1,802,804</u>

The largest portion of the Township of Meyer's net assets (approximately 70%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The Township of Meyer uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township of Meyer's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWNSHIP OF MEYER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental Activities

Governmental activities decreased the Township of Meyer's net assets by \$9,044. Key elements of this decrease are as follows:

	Governmental Activities March 31, 2008	Business-Type Activities March 31, 2008	Total March 31, 2008
REVENUE			
Program Revenue			
Charges for service	\$ 24,757	\$ 69,360	\$ 94,117
General Revenue			
Property taxes	71,972	-	71,972
Intergovernmental revenues not restricted to specific programs	80,204	-	80,204
Investment income	8,246	10,577	18,823
Miscellaneous	15,636	-	15,636
Operation grants	-	19,000	19,000
Total Revenue	200,815	98,937	299,752
EXPENSES			
General Government and legislative	132,448	-	132,448
Public safety	43,539	-	43,539
Public works	10,688	-	10,688
Cemetery operations	20,334	-	20,334
Interest and fiscal changes	2,850	1,850	4,700
Sewer	-	92,180	92,180
Total Expenses	209,859	94,030	303,889
Increase (decrease) in Net Assets	(9,044)	4,907	(4,137)
Net Assets-beginning of Year	467,413	1,339,528	1,806,941
Net Assets-end of year	\$ 458,369	\$ 1,344,435	\$ 1,802,804

Public safety activities accounts for approximately 20% of total expenditures within the Governmental funds of the Township of Meyer.

Public works accounts for approximately 5% of total expenditures with Governmental funds of the Township of Meyer.

Historically state revenue is the largest revenue source for Governmental Activities accounting for 39% of total revenue. Property tax revenues provides 35% of total revenue.

Business-Type Activities

Business-type activities decreased the Township of Meyer's net assets by \$4,907. The cash flow for the Sewer Utility for 2008 was a decrease of \$2,968.

TOWNSHIP OF MEYER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The revenues of the Sewer Utility included investment income and miscellaneous income in addition to charges for services (operating revenues). Investment income and miscellaneous revenues are not identified specifically to an individual program but to the fund as a whole.

Financial Analysis of The Government's Funds

As noted earlier the Township of Meyer uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Township of Meyer's Governmental Funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Township of Meyer's financing requirements. In particular, unreserved fund balances may serve as a useful measure of Government's net resources available for spending at the end of the fiscal year.

As of March 31, 2008, the Township of Meyer's Governmental funds reported combined ending balances of \$293,019 a decrease of \$62,584 in comparison with the prior year. 100% of the fund balance is available for spending at the Government's discretion.

Proprietary Fund

The Township of Meyer's proprietary funds provide the same type of information found in the Government-wide financial statements but in more detail.

Unrestricted net assets of the Sewer Utility at the end of the year amounted to \$239,880 a decrease of \$4,907 from March 31, 2007.

The financial statements and a statement of cash flows for the enterprise funds can be found on pages 16-19 of this report.

Capital Asset and Debt Administration

Capital Assets

The Township of Meyer's investment in capital assets for its Governmental and business-type activities as of March 31, 2008 amounts to \$1,406,150 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment infrastructure.

TOWNSHIP OF MEYER
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Township of Meyer's Capital Assets

	Governmental Activities <u>March 31, 2008</u>	Business-Type Activities <u>March 31, 2008</u>	Total <u>March 31, 2008</u>
Land improvements	\$ 2,000	\$ -	\$ 2,000
Buildings and systems	527,840	1,989,101	2,516,941
Machinery and equipment	274,632	102,803	377,435
Infrastructure	5,099	-	5,099
Total Capital Assets	<u>809,571</u>	<u>2,091,904</u>	<u>2,901,475</u>
Less accumulated depreciation	<u>(585,976)</u>	<u>(909,349)</u>	<u>(1,495,325)</u>
Capital Assets Net of Depreciation	<u>\$ 223,595</u>	<u>\$ 1,182,555</u>	<u>\$ 1,406,150</u>

Township of Meyer's Outstanding Debt

	Governmental Activities <u>March 31, 2008</u>	Business-Type Activities <u>March 31, 2008</u>	Total <u>March 31, 2008</u>
Fire truck notes	\$ 37,000	\$ -	\$ 37,000
Road commission	21,245	-	21,245
Sewer bonds	-	78,000	78,000
Total	<u>\$ 58,245</u>	<u>\$ 78,000</u>	<u>\$ 136,245</u>

Request for Information

This financial report is designed to provide a general overview of the Township of Meyer's finances for all those with an interest in the Government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Township Board.

BASIC
FINANCIAL
STATEMENTS

TOWNSHIP OF MEYER
STATEMENT OF NET ASSETS
 March 31, 2008

	<u>Govern- mental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 288 744	\$ 242 554	\$ 531 298
Accounts receivable	-	5 728	5 728
Property taxes receivable	5 510	-	5 510
Due from other funds	4 054	-	4 054
Capital assets, net of depreciation	<u>223 595</u>	<u>1 182 555</u>	<u>1 406 150</u>
Total Assets	<u>\$ 521 903</u>	<u>\$1 403 837</u>	<u>\$1 952 740</u>
Liabilities			
Accounts payable	\$ 3 424	\$ 8 402	\$ 11 826
Payroll taxes withheld	1 865	-	1 865
Non-current Liabilities			
Due within one year	6 000	9 000	15 000
Due in more than one year	<u>52 245</u>	<u>69 000</u>	<u>121 245</u>
Total Liabilities	<u>\$ 63 534</u>	<u>\$ 86 402</u>	<u>\$ 149 936</u>
NET ASSETS			
Invested in capital assets net of related debt	\$ 165 350	\$1 104 555	\$1 269 905
Unreserved	<u>293 019</u>	<u>239 880</u>	<u>532 899</u>
Total Net Assets	<u>\$ 458 369</u>	<u>\$1 344 435</u>	<u>\$1 802 804</u>

The accompanying notes are an integral part
 of the financial statements.

TOWNSHIP OF MEYER
STATEMENT OF ACTIVITIES
For the Year Ended March 31, 2008

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants & Contri- butions</u>	<u>Capital Grants & Contri- butions</u>
Governmental Activities				
Legislative	\$ 29 205	\$ -	\$ -	\$ -
General Government	103 243	17 171	-	-
Public safety	43 539	-	-	-
Public works	10 688	-	-	-
Cemetery operation	20 334	7 586	-	-
Interest and fiscal charges	2 850	-	-	-
Total Governmental Activities	<u>209 859</u>	<u>24 757</u>	<u>-</u>	<u>-</u>
Business-type Activities				
Sewer	92 180	69 360	19 000	-
Interest and fiscal charges	1 850	-	-	-
Total Business-type Activities	<u>94 030</u>	<u>69 360</u>	<u>19 000</u>	<u>-</u>
Total	<u>\$303 889</u>	<u>\$ 94 117</u>	<u>\$ 19 000</u>	<u>\$ -</u>

General Revenue

Taxes:

Property taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenue

Change in net assets

Net Assets - beginning of year

Net Assets - end of year

The accompanying notes are an integral part
of the financial statements.

Net (Expenses) Revenue Bond
Changes in Net Assets

Governmental Business-type
Activities Activities Totals

\$ (29 205)	\$ -	\$ (29 205)
(86 072)	-	(86 072)
(43 539)	-	(43 539)
(10 688)	-	(10 688)
(12 748)	-	(12 748)
<u>(2 850)</u>	<u>-</u>	<u>(2 850)</u>
<u>(185 102)</u>	<u>-</u>	<u>(185 102)</u>

-	(3 820)	(3 820)
<u>-</u>	<u>(1 850)</u>	<u>(1 850)</u>
<u>-</u>	<u>(5 670)</u>	<u>(5 670)</u>
<u>(185 102)</u>	<u>(5 670)</u>	<u>(190 772)</u>

71 972	-	71 972
80 204	-	80 204
8 246	10 577	18 823
<u>15 636</u>	<u>-</u>	<u>15 636</u>
<u>176 058</u>	<u>10 577</u>	<u>186 635</u>
(9 044)	4 907	(4 137)
<u>467 413</u>	<u>1 339 528</u>	<u>1 806 941</u>
\$ 458 369	\$ 1 344 435	\$ 1 802 804

TOWNSHIP OF MEYER
BALANCE SHEET - GOVERNMENTAL FUNDS
March 31, 2008

	General Fund	Fire Fund	Other Govern- mental Funds	Totals
ASSETS				
Cash in bank	\$ 155 044	\$ 32 815	\$ 100 885	\$ 288 744
Due from other funds	4 054	-	-	4 054
Property taxes receivable	<u>2 308</u>	<u>1 615</u>	<u>1 587</u>	<u>5 510</u>
Total Assets	<u>\$ 161 406</u>	<u>\$ 34 430</u>	<u>\$ 102 472</u>	<u>\$ 298 308</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 2 241	\$ 1 183	\$ -	\$ 3 424
Payroll withholdings	<u>1 865</u>	<u>-</u>	<u>-</u>	<u>1 865</u>
Total Liabilities	\$ 4 106	\$ 1 183	\$ -	\$ 5 289
Fund Balance				
Fund Balances:				
Unreserved				
Undesignated	<u>157 300</u>	<u>33 247</u>	<u>102 472</u>	<u>293 019</u>
Total Fund Balance	<u>157 300</u>	<u>33 247</u>	<u>102 472</u>	<u>293 019</u>
Total Liabilities and Fund Balance	<u>\$ 161 406</u>	<u>\$ 34 430</u>	<u>\$ 102 472</u>	<u>\$ 298 308</u>

The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF MEYER
GOVERNMENTAL FUNDS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO NET ASSETS
March 31, 2008

Total Fund Balances - Governmental Funds \$ 293 019

Amounts reported for Governmental activities
in the statement of net assets are different
because:

Capital assets used in Governmental activities
are not financial resources and are not reported
in the funds.

The cost of the capital assets is	809 571
Accumulated depreciation is	(585 976)

Long-term liabilities are not due and payable
in the current period and are not reported in
the funds.

Bonds payable	(37 000)
Road commission	(21 245)

Net Assets of Governmental Activities	<u>\$ 458 369</u>
---------------------------------------	-------------------

The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF MEYER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUND
For the Year Ended March 31, 2008

	General Fund	Fire Operating	Other Govern- mental Funds	Totals
REVENUES				
Property taxes	\$ 30 153	\$ 21 091	\$ 20 728	\$ 71 972
State revenue	79 420	-	784	80 204
Charges for Services:				
Property tax admin fee	17 171	-	-	17 171
Cemetery	-	-	7 586	7 586
Interest on Investments	4 381	48	3 817	8 246
Rents	6 920	-	-	6 920
Reimbursements	461	2 850	444	3 755
Fees and other	2 188	687	2 086	4 961
Total Revenues	\$ 140 694	\$ 24 676	\$ 35 445	\$200 815
EXPENDITURES				
Current:				
Legislative	29 205	-	-	29 205
General Government	97 375	-	14	97 389
Public safety	-	23 945	784	24 729
Public works	10 688	-	-	10 688
Cemetery	-	-	20 334	20 334
Capital Outlay	16 506	-	28 082	44 588
Debt service				
Principal	7 616	-	26 000	33 616
Interest	-	-	2 850	2 850
Total Expenditures	161 390	23 945	78 064	263 399
Excess (Deficiency) of Revenue over Expenditures	(20 696)	731	(42 619)	(62 584)
Fund Balances, April 1	177 996	32 516	145 091	355 603
Fund Balances, March 31	\$ 157 300	\$ 33 247	\$ 102 472	\$293 019

Accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF MEYER
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENTS OF ACTIVITIES
For the Year Ended March 31, 2008

Net change in fund balances -
total Governmental funds \$ (62 584)

Amounts reported for Governmental activities
in the statement of net assets are difference
because:

Governmental funds report capital outlay as
expenditures: in the statement of activities.
These costs are allocated over their estimated
useful lives as depreciation.

Depreciation expense	(24 664)
Capital outlay	44 588

Repayment of bonds and debt is an expenditure
in the Governmental funds, but no in the
statements of activities (where it reduces long-
term debt)

33 616

Change in net assets of Governmental Activities	\$ (9 044)
---	-------------

The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF MEYER
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
March 31, 2008

	<u>Sewer Utility</u>
CURRENT ASSETS	
Cash in bank	\$ 242 554
Accounts receivable	<u>5 728</u>
Total Current Assets	248 282
Non-Current Assets	
Property, plant and equipment	2 091 904
Less: accumulated depreciation	<u>(909 349)</u>
Total Assets	<u>\$ 1 430 837</u>
 LIABILITIES AND FUND EQUITY	
Current Liabilities:	
Current portion of bonds payable	\$ 9 000
Accounts payable	<u>8 402</u>
Total Current Liabilities	17 402
Non-Current Liabilities:	
Bond payable	69 000
 NET ASSETS	
Invested in capital assets, net of related debt	1 104 555
Unrestricted	<u>239 880</u>
Total Net Assets	<u>1 344 435</u>
Total Liabilities and Net Assets	<u>\$ 1 430 837</u>

The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF MEYER
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
March 31, 2008

	<u>Sewer Utility</u>
OPERATING REVENUES - CHARGES AND FEES	<u>\$ 69 360</u>
OPERATING EXPENSES:	
Utilities and telephone	5 423
Wages	13 727
Purchase of services and dues	21 642
Materials and maintenance	13 646
Depreciation	36 062
Other	<u>1 680</u>
Total Operating Expenses	<u>92 180</u>
Operating Income (Loss)	(22 820)
NON-OPERATING INCOME (EXPENSE)	
Donations - Hannahville	19 000
Interest income	10 577
Interest expense	<u>(1 850)</u>
Total Non-Operating Income (Expense)	<u>27 727</u>
Changes in Net Assets	4 907
Net Assets, April 1	<u>1 339 528</u>
Net Assets, March 31	<u>\$ 1 344 435</u>

The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF MEYER
COMBINED STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
March 31, 2008

	<u>Sewer Utility</u>
Cash Flows from Operating Activities:	
Operating income (loss)	\$ 4 907
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	36 062
Change in assets and liabilities:	
(Increase) in accounts receivable	(1 652)
(Decrease) in accounts payable	<u>-</u>
Net Cash Provided by Operating Activities	39 317
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(33 285)
Principal paid on debt	<u>(9 000)</u>
Net cash Used for Capital and Related Financing Activities	<u>(42 285)</u>
Net Increase (decrease) in Cash	(2 968)
Cash and Cash Equivalents, Beginning	<u>245 522</u>
Cash and Cash Equivalents, Ending	<u>\$ 242 554</u>

The accompanying notes are an integral part
of the financial statements.

NOTES
TO
FINANCIAL
STATEMENTS

**TOWNSHIP OF MEYER
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
March 31, 2008**

	<u>Agency</u> Tax Collection Fund
ASSETS	
Cash and investments	\$ 4 054
Total Assets	<u>\$ 4 054</u>
LIABILITIES	
Due to other funds	\$ 4 054
Total Liabilities	<u>\$ 4 054</u>

The accompanying notes are an integral part
of the financial statements.

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Meyer, conform to generally accepted accounting principles as applicable to Governmental units.

A. Reporting Entity

This report includes all of the Township of Meyer. The reporting entity for the township consists of (a) the primary Government, (b) organizations for which the primary Government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary Government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary Government are financially accountable. The primary Government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary Government. The primary Government may be financially accountable if an organization is fiscally dependent on the primary Government.

B. Basis of Financial Statement Presentation

In December 1998, the Government Accounting Standards Board (GASB) issued Statement No. 33 - Accounting and Financial Reporting for Non-exchange Transactions (GASB 33), in June 1999 issued Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis - For State and Local Governments (GASB 34), and in June 2001 issued Statement No. 37 Basic Financial Statements - And Management's Discussion and Analysis - For State and Local Governments: Omnibus (GASB 37).

The Township of Meyer has implemented these standards effective April 1, 2003.

Statements No. 34 and 37, among many other changes, adds two new "Government-wide" financial statements as basic financial statements required for all Governmental units. The Statement of Net Assets and the Statement of Activities are the two new required Statements. Both statements are prepared on the full accrual basis. Previously, in accordance with accounting standards and Governmental units, the Township used the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for Governmental activity fund financial statements.

In addition, all funds are reported as business-type activities, Governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for Governmental units, GASB 34 and 37 concentrate on major funds versus non-major funds. Statement No. 33 required capital contributions to enterprise funds to be presented as a change in net rather than being directly credited to fund equity.

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the reporting Government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between Governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Township does not allocate indirect expenses to functions in the statement of activities. Program revenues included (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, (2) operating grants and contributions and (3) capital grants and contributions including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for Governmental funds, proprietary funds and fiduciary funds even though the latter are excluded from the Government-wide financial statements. Major individual Governmental funds and major individual enterprises funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the Sewer Utility enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into individual funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditure/expenses.

Funds are organized as major funds or non-major funds within the Governmental, proprietary and fiduciary statements. An emphasis is placed on major funds within the Governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Township or meets the following criteria:

A. Total assets, liabilities, revenues or expenditures/expenses of that individual Governmental or enterprises fund are at least 10 percent of the corresponding total for all funds of that category or type. (and)

B. Total assets, liabilities, revenues or expenditures/expenses of the individual Governmental fund or enterprise fund are at least 5 percent of the corresponding total for all Governmental and enterprise funds combined.

Governmental Funds

Governmental funds are identified as either general, special revenue, debt service, capital projects or permanent funds based upon the following guidelines:

GENERAL FUND

The General Fund is the primary operating fund of the Township and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs.

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

PERMANENT FUNDS

Permanent Funds are used to account for resources legally held in a trust. All resources of the fund including any earnings on invested resources may be used to support the organization.

Business-type Activities
Proprietary Funds

ENTERPRISE FUNDS

Enterprise Funds are used to account for activities where a fee is charged to external users for goods and services. Enterprise activities include operations (a) that are financed with debt that is secured solely by the pledge of the net revenues of the fund, or (b) where laws or regulations require that the costs of the activity be recovered with fees and charges, or (c) where the fees and charges are priced in a way designed to recover the costs of the activity.

AGENCY FUNDS

Agency Funds are used to account for assets held by the Township as an agent for individuals, private organizations and/or other Governmental units.

Major Funds

The Township reports the following major Governmental funds:

The General Fund which accounts for the Township's primary operation activities.

The Fire Fund which accounts for the Township's fire services.

The Township reports the following major proprietary fund:
The Sewer Utility which operates the sewage pumping stations and collection systems.

Fiduciary Funds

The Township reports the following fund:

Tax collection

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

In the Government-wide Statement of Net Assets and Statement of Activities both Governmental and business-type activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The current financial resources measurement focus and the modified accrual basis of accounting is followed by the Governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgements, compensated absences and pension expenditures, which are recorded as fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed for the Township of Meyer taxes are being provided. In addition to property taxes for the Township, taxes are collected for and remitted to the state and county Governments as well as the local school districts.

Intergovernmental aids and grants are recognized as revenues in the period the Township is entitled to the resources and the amounts are available.

Revenues susceptible to accrual property taxes, inter-governmental revenue, miscellaneous taxes, public charges for services and interest.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary funds are accounted for on the accrual basis. Revenues such as user fees are recognized in the accounting

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

period in which they are earned; expenses are recognized in the period incurred. The proprietary funds have elected to follow Financial Accounting Standards Board pronouncements issued before November 30, 1989 and all pronouncements of the Governmental Accounting Standards Board.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Measurement focus

On the Government-wide Statement of Net Activities both Governmental and business-type activities are presented using the flow of economic resources measurement focus as defined below.

The measurement focus of proprietary funds is the flow of economic resources. Under this concept revenues and expenses are matched using the accrual basis of accounting. All fixed assets are capitalized at historical cost and depreciated over their useful lives.

The measurement focus of all Governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlay, debt proceeds and debt retirements are reflected in operations. Resources not available to finance and commitments of the current period are recognized as deferred or a reservation of fund equity.

E. Cash and Cash Equivalents

For purposes of this statement of cash flows, the Township considers all highly liquid investments with an initial maturity of one year or less when acquired to be cash equivalents.

F. Inventories

Inventory of supplies are considered to be immaterial and are not recorded.

G. Long-Term Obligations

The accounting treatment of long-term debt depends whether they are reported in the Government-wide or fund financial statements.

All long-term debt to be repaid from Governmental and business-type resources are reported as liabilities in the Government-wide statements. The long-term debt consists primarily of notes and bonds payable.

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

Long-term debt for Governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as revenue and payment of principal and interest reported as expenditures. The accounting in proprietary funds is the same in the fund statements as it is in the Government-wide statements.

H. Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in Governmental fund operations or proprietary fund operations and whether they are reported in the Government-wide fund financial statements.

Government-wide Statements

In the Government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical costs or estimated historical cost if actual cost is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. The Township has a capitalization threshold of \$2,000.

Prior to April 2003, Governmental fund's capital assets were accounted for in the general fixed assets account group and were not recorded directly as a part of any individual fund's financial statements. Infrastructure of Governmental funds was not previously capitalized. Upon implementing GASB 34 Governmental units are required to account for all capital assets, including infrastructure in the Government-wide statements prospectively from the date of implementation. For the year ended March 31, 2008, the Township has reported infrastructure acquired by its Governmental fund types since April 1, 2003.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities with an accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of assets is as follows:

Buildings	40 years
Machinery and equipment	10-15 years
Utility system	05-60 years
Infrastructure	50 years

Fund Financial Statements

In the fund financial statements, fixed assets used in Governmental fund operations are accounted for as capital outlay expenditures of the Governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in The Government-wide statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Budgets

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund described in Note 1.

A budget has been adopted for the general fund and comparisons of actual to budget are presented in the supplemental information. Budgetary comparisons are not required for proprietary funds. The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

- 1.) Prior to March 1, the clerk submits to the board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
- 2.) Public hearings are conducted to obtain taxpayer comments.
- 3.) Prior to April 1, the budget is legally enacted.
- 4.) The Township Board may authorized transfer budget amounts between departments within any fund and any revisions that alter the total expenditure of any fund.
- 5.) Formal budgetary integration is employed as management control device during the year for the General Fund.

J. Allowances for Uncollectible Accounts

No provision for uncollectible accounts had been established in the proprietary fund as the utility has the right to collect delinquent sewer bills by placing them on the tax roll.

K. Revenue Recognition

Sewer revenues are recorded based on actual service rendered, billings are made to customers through quarterly billings. The utility does not accrue revenues beyond such billing dates as the amounts are not significant.

L. Claims and Judgements

Claims and judgements are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgements that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the Governmental fund types. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the Governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claim and judgments are recorded in the Government-wide and proprietary funds statements as expenses when the related liabilities are incurred. There were no significant claims or judgements at year end.

M. Encumbrances

Encumbrances outstanding represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders at year end are fulfilled. Encumbrances outstanding at year end are reported as reservations of fund balance and do not represent liabilities or expenditures. Encumbrance accounting applies only to Governmental fund types. There were no other significant encumbrances outstanding at year end.

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**N. Equity Classifications
Government-wide Statements**

Equity is classified as net assets and displayed in three components:

- 1.) Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or any other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- 2.) Restricted net assets - consists of net assets with constraints placed on the use either by a.) external groups such as creditors, contributors or laws or regulations of other Governments or, b.) Laws through constitutional provisions or enabling legislation.
- 3.) Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets net of related debt".

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balances is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in Government-wide statements.

NOTE 2 DEPOSITS AND INVESTMENTS

At year end, the Township's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Govern- mental Activities</u>	<u>Business Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Cash & cash equivalents	\$ 288 744	\$ 242 554	\$ 4 054	\$ 535 352
Total	\$ 288 744	\$ 242 554	\$ 4 054	\$ 535 352

The breakdown between deposits and investments for the Township is as follows:

Deposits	\$ 535 352
Investments in securities	-
Petty cash and cash on hand	-
Total	<u>\$ 535 352</u>

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
 March 31, 2008

NOTE 2 DEPOSITS AND INVESTMENTS(continued)

As required by Governmental Accounting Standards Board Statement No. 40, Deposits and Investment Risk Disclosures the following represents a summary of deposits as of March 31, 2008.

Fully insured deposits	\$ 200 000
Collateralized with securities held by the pledging pledging financial institution in the Township's name	-
Collateralized with securities held by the pledging financial institution's trust department	-
Uncollateralized	<u>335 352</u>
	<u>\$ 535 352</u>

State statutes and the Township's investment policy authorize the Unit to make deposits in the accounts of federally insured banks, credit unions and savings and loan associations which have an office in Michigan; the Township is allowed to invest in U.S. Treasury or Agency obligation, U.S. Government repurchases agreements, bankers acceptances, commercial paper rated prime at the time of purchases which mature not more than 270 days after the date of purchases, mutual funds and investment pools that are composed of authorized investment vehicles. The Township's deposits are in accordance with statutory authority.

The Township had on investments at March 31, 2008.

NOTE 3 INTERFUND RECEIVABLES/PAYMENTS

The amounts of Interfund receivables and payables are as follows:

<u>Interfund Fund</u>	<u>Receivable</u>	<u>Interfund Fund</u>	<u>Payable</u>
General	\$ 4 054	Current tax coll.	\$ 4 054
Total	<u>4 054</u>		<u>\$ 4 054</u>

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended March 31, 2008 was as follows:

GOVERNMENTAL ACTIVITIES

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land improve- ments	\$ 2 000	\$ -	\$ -	\$ 2 000
Buildings	511 334	16 506	-	527 840
Vehicles & equipment	246 550	28 082	-	274 632
Infra- structure	5 099	-	-	5 099
Total Capital Assets	764 983	44 588	-	809 571
Less Accumulated Deprecation	<u>(561 312)</u>	<u>(24 664)</u>	<u>-</u>	<u>(585 976)</u>
Governmental Capital Assets, Net	<u>\$203 671</u>	<u>\$ 19 924</u>	<u>\$ -</u>	<u>\$223 595</u>

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 4 CAPITAL ASSETS (continued)

BUSINESS-TYPE ACTIVITY

Building and collection Systems	\$1 955 816	\$ 33 285	\$ -	\$1 989 101
Machinery & Equipment	102 803	-	-	102 803
Total Capital Assets	2 058 619	33 285	-	2 091 904
Less Accumulated Depreciation	(873 287)	(36 062)	-	(909 349)
Governmental Capital Assets, Net	\$1 185 332	\$ (2 777)	\$ -	\$1 182 555

Depreciation Expense Cash Charged to Functions as Follows:

Governmental Activities:

General Government	\$ 5 854
Public Safety	18 810
Total Governmental Activities	
Depreciation Expense	\$ 24 664

Business-Type Activities Depreciation

Sewer	\$ 36 062
Total Business-Type Activities:	
Depreciation Expense	\$ 36 062

NOTE 5 LONG TERM OBLIGATIONS

Notes Payable

On November 8, 2001, The Township entered into a note payable to Rural Department Services with the U.S. Department of Agriculture for \$103,000. This was used for the purchase of a fire truck. The interest rate is 4.75% with payments as follows:

Year	May Interest	May Principle	November Interest	Annual Debt Service
2008	879	6 000	736	7 615
2009	736	7 000	570	8 306
2010	570	7 000	404	7 974
2011	404	7 000	238	7 642
2012	238	8 000	47	8 285
2013	47	2 000	-	2 047
	\$ 2 874	\$ 37 000	\$ 1 995	\$ 41 869

Contract Payable

The Township has a contract for road improvements with Menominee County. The balance due does not have scheduled payments.

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 5 LONG TERM OBLIGATIONS (continued)

Sanitary Sewer System Revenue Bonds

In fiscal 1982, the Township of Meyer issued sanitary system revenue bonds in the amount of \$265,000 for the purpose of partially funding acquisition and construction of a sanitary sewage collection and lagoon treatment system pursuant to the provisions of Act 94, Public Acts of Michigan, 1983, as amended. The balance of the cost of the Projects is defrayed by grants in the amount of \$150,000 from the United States Government, Farmers Home Administration, \$805,125 from the United States Government, Environmental Protection Agency and \$53,675 from the State of Michigan, Department of Natural Resources. The payments are as follows:

<u>Year</u>	<u>May Principle</u>
2008	9 000
2009	9 000
2010	10 000
2011	10 000
2012	10 000
2013	10 000
2014	10 000
2015	10 000
	<u>\$ 78 000</u>

NOTE 6 LEASES

The Township has no material leases as lessee or lessor.

NOTE 7 NET ASSETS/FUND BALANCES

GASB Statement No. 34 requires the classification of net assets into three components - invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

* Restricted - This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other Governments or constraints imposed by law through constitutional provisions or enabling legislation.

* Unrestricted Net Assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

TOWNSHIP OF MEYER
NOTES TO FINANCIAL STATEMENTS
March 31, 2008

NOTE 7 NET ASSETS/FUND BALANCES (continued)

Net Assets reported on the Government-wide Statement of Net Assets at March 31, 2008 includes the following:

Invested in Capital Assets, Net of Related Debt Capital assets, net of accumulated depreciation	\$ 1 406 150
Less: related long-term debt outstanding	<u>(136 245)</u>
Total Invested in Capital Assets	\$ 1 269 905
Unrestricted	<u>532 899</u>
Total Net Assets - Government- wide Statements	<u>\$ 1 802 804</u>

NOTE 8 RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts: theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There has been on reduction in insurance coverage from that in prior years.

REQUIRED
SUPPLEMENTAL
INFORMATION

TOWNSHIP OF MEYER
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended March 31, 2008

	Actual Expendi- tures	Budget	Budget Favorable (Unfavorable)
REVENUES:			
Property taxes	\$ 30 153	\$ 36 000	\$ (5 847)
State revenue	79 420	69 000	10 420
Charges for services:			
Property tax administration fee	17 171	2 000	15 171
Interest on investments	4 381	7 000	(2 619)
Rents	6 920	6 000	920
Reimbursements	461	5 000	(4 539)
Other	2 188	-	2 188
Total Revenues	140 694	125 000	15 694
EXPENDITURES:			
General Government and Legislative	126 580	151 480	24 900
Public works	10 688	11 000	312
Capital outlay	16 506	14 000	(2 506)
Debt service and Road Commission	7 616	10 000	2 384
Total Expenditures	161 390	186 480	25 090
Excess (deficiency) of revenues over expenditures	(20 696)	(61 480)	40 784
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Total other financing sources (uses)	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(20 696)	(61 480)	40 784
Fund balances, April 1	177 996	177 996	-
Fund balances, March 31	\$157 300	\$ 116 516	\$ 40 784

OTHER
SUPPLEMENTAL
INFORMATION

TOWNSHIP OF MEYER
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
March 31, 2008

	<u>Non-Major Special</u>	
	<u>Liquor</u>	<u>Perpetual Care</u>
ASSETS		
Cash	\$ 3 057	\$ 66 380
Property taxes receivable	-	-
Due from other funds	-	-
Total Assets	<u>\$ 3 057</u>	<u>\$ 66 380</u>
LIABILITIES AND FUND BALANCES		
Accounts payable	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:		
Unreserved:		
Undesignated	<u>3 057</u>	<u>66 380</u>
Total Liabilities and Fund Balances	<u>\$ 3 057</u>	<u>\$ 66 380</u>

The accompanying notes are an integral part
of the financial statements.

<u>Revenue Funds</u>		<u>Debt Service</u>	
<u>Housing Grants</u>	<u>Total Non-Major Special</u>	<u>Fire Truck</u>	<u>Total Non-Major Governmental Funds</u>
\$ 4 076	\$ 73 513	\$27 372	\$ 100 885
-	-	1 587	1 587
-	-	-	-
\$ 4 076	\$ 73 513	\$28 959	\$ 102 472
\$ -	\$ -	\$ -	\$ -
-	-	-	-
4 076	73 513	28 959	102 472
\$ 4 076	\$ 73 513	\$28 959	\$ 102 472

TOWNSHIP OF MEYER
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
March 31, 2008

	<u>Non-Major Special</u>	
	<u>Liquor</u>	<u>Perpetual Care</u>
REVENUES		
Property taxes	\$ -	\$ -
State revenue	784	-
Interest on investments	-	2 748
Other	-	7 636
Total Revenues	\$ 784	\$ 10 384
	<hr/>	<hr/>
EXPENDITURES		
Wages	\$ -	\$ 3 696
Supplies	784	13 280
Advertising and publishing	-	260
Repairs and maintenance	-	3 098
Capital outlay	-	-
Other	-	-
Debt retirement	-	-
Total Expenditures	784	20 334
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	-	(9 950)
Fund Balances, April 1	<u>3 057</u>	<u>76 330</u>
Fund Balances, March 31	<u>\$ 3 057</u>	<u>\$ 66 380</u>

The accompanying notes are an integral part
of the financial statements.

<u>Revenue Funds</u>		<u>Debt Service</u>	
<u>Housing Grants</u>	<u>Total Non-Major Special</u>	<u>Fire Truck</u>	<u>Total Non-Major Governmental Funds</u>
\$ -	\$ -	\$ 20 728	\$ 20 728
-	784	-	784
3	2 751	1 066	3 817
-	7 636	2 480	10 116
<u>3</u>	<u>11 171</u>	<u>24 274</u>	<u>35 445</u>
\$ -	\$ 3 696	\$ -	\$ 3 696
-	14 064	-	14 064
-	260	-	260
-	3 098	-	3 098
-	-	28 082	28 082
14	14	-	14
-	-	28 850	28 850
<u>14</u>	<u>21 132</u>	<u>56 932</u>	<u>78 064</u>
(11)	(9 961)	(32 658)	(42 619)
<u>4 087</u>	<u>83 474</u>	<u>61 617</u>	<u>145 091</u>
<u>\$ 4 076</u>	<u>\$ 73 513</u>	<u>\$ 28 959</u>	<u>\$ 102 472</u>

TOWNSHIP OF MEYER
DETAILED SCHEDULES OF GENERAL FUND EXPENDITURES
For the Year Ended March 31, 2008

LEGISLATIVE:

Town Board	
Wages	\$ 2 873
Payroll tax	6 762
Dues and professional fees	6 675
Insurance	9 286
Supplies	2 273
Other	1 336
	<u>29 205</u>

GENERAL GOVERNMENT:

Elections	<u>307</u>
Supervisor	5 308
Clerk	4 963
Treasurer	6 354
	<u>16 625</u>
Town Hall	
Wages	3 340
Utilities	14 622
Maintenance	1 879
Supplies	4 838
Other	647
	<u>25 326</u>
Town Property	
Wages	9 803
Supplies	8 214
Utilities	648
Maintenance	2 629
Other	348
	<u>21 642</u>
Assessor	
Professional fees	31 391
Supplies and mileage	1 905
	<u>33 296</u>
Board of review	
Wages	55
Other	124
	<u>179</u>
Public Works	
Street lighting	<u>10 688</u>
Capital Outlay	
Town hall	<u>16 506</u>
Debt Service	
Road commission	<u>7 616</u>
Total General Government	<u><u>\$ 161 390</u></u>

TOWNSHIP OF MEYER
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL FIDUCIARY FUND TYPES
March 31, 2008

<u>CURRENT TAX COLLECTION FUND</u>	<u>Balance April 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance March 31, 2008</u>
<u>ASSETS</u>				
Cash	\$ 3 721	\$ 683 061	\$ 682 728	\$ 4 054
TOTAL ASSETS	\$ 3 721	\$ 683 061	\$ 682 728	\$ 4 054
<u>LIABILITIES</u>				
Due to other taxing units:				
Meyer Township				
Sewer System	\$ -	\$ 5 151	\$ 5 151	\$ -
Township of Meyer				
- General Fund	3 721	39 985	39 652	4 054
Township of Meyer				
- Fire Funds	-	38 618	38 618	-
Menominee County	-	213 340	213 340	-
Intermediate School				
District	-	44 367	44 367	-
Area School				
District	-	211 973	211 973	-
State of MI-S.E.T.	-	129 627	129 627	-
TOTAL LIABILITIES	\$ 3 721	\$ 683 061	\$ 682 728	\$ 4 054

The accompanying notes are an integral part
of the financial statements.

RAYMOND L. PAYMENT
CERTIFIED PUBLIC ACCOUNTANT

617 LUDINGTON STREET
ESCANABA, MICHIGAN 49829
PHONE: 906-786-8520
FAX: 906-786-8521

PROFESSIONAL BUILDING
STEPHENSON, MICHIGAN 49887
PHONE: 906-753-4700

REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH "GOVERNMENT AUDITING STANDARDS"

Members of the Board
Township of Meyer
Menominee County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Meyer as of and for the year ended March 31, 2008, which collectively comprise the Township of Meyer's basic financial statements and have issued my report thereon dated June 27, 2008. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Township of Meyer's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements, but not for the purpose or expressing an opinion on the effectiveness of the Township of Meyer's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Township of Meyer's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, I identified a certain deficiency in internal control over financial reporting that I consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township of Meyer's ability to initiate,

authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Township of Meyer's financial statements that is more than inconsequential will not be prevented or detected by the Township of Meyer's internal control. I consider the deficiency described in the accompanying schedule of findings and questioned costs as items 07-1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Township of Meyer's internal control.


My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described in the Schedule of Findings I consider item 07-01 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Meyer's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Township of Meyer's response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit the Township of Meyer's response and, accordingly, I express no opinion on it.

The report is intended solely for the information and use of the Township Board, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Ray L. Payment", is written over a horizontal line.

Ray L. Payment
Certified Public Accountant

SCHEDULE OF FINDINGS
TOWNSHIP OF MEYER

Year Ended March 31, 2008

SIGNIFICANT DEFICIENCIES

(07-1) Ability to Prepare Financial Statements and Related Note Disclosures

Like entities of similar size, the Township uses the assistance of the auditor to draft the financial statements and related note disclosures.

Following the Township's adopted budget priorities, the Township will continue to focus its efforts on continuing education for the President, Treasurer and Clerk. We will keep the funding level for education and training the same, but focus more in the financial preparation area than in the past. Trustees will seek out training to better understand the financial statements and the training funds will be at levels similar to the past. In addition, the Township will continue to seek the auditor's assistance when necessary on procedural questions and drafting of financial statements and disclosures.

RAYMOND L. PAYMENT
CERTIFIED PUBLIC ACCOUNTANT

617 LUDINGTON STREET
ESCANABA, MICHIGAN 49829
PHONE: 906-786-8520
FAX: 906-786-8521

PROFESSIONAL BUILDING
STEPHENSON, MICHIGAN 49887
PHONE: 906-753-4700

June 27, 2008

Members of the Board
Township of Meyer
Menominee County, Michigan

I have audited the financial statements of Meyer Township, Menominee County, Michigan, for the year ended March 31, 2008, and have issued my report dated June 27, 2008. Professional standards require that I provide you with the following information related to my audit.

My Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in my engagement letter dated June 27, 2008, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but no absolute, assurance about whether the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting standards. Because an audit is designed to provide reasonable, but not absolute assurance and because I did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me.

As part of my audit, I considered the integral control of Meyer Township, Menominee County, Michigan. Such considerations were solely for the purpose of determining my audit procedures and to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Meyer Township, Menominee County, Michigan's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of my tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Meyer Township, Menominee County, Michigan, are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were recording cost values of fixed assets and accumulated depreciation of fixed assets.

Management's estimates of the cost values and related depreciation is based on estimated costs assets and State of Michigan guidelines, respectively. I evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in my judgment may not have been detected except through my auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Meyer Township, Menominee, Michigan's financial reporting process (that is, cause, future financial statements to be materially misstated). In my judgment, none of the adjustments I proposed either individually or in the aggregate, indicate matters that could have a significant effect on the Meyer Township, Delta County, Michigan's financial reporting process.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the government unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, my professional standards require the consulting accountant to check with me to determine that the consultant has all relevant facts. To my knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

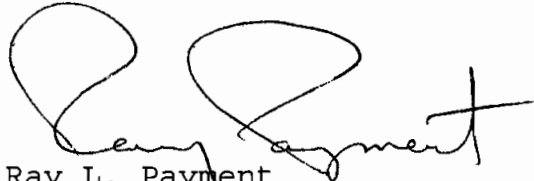
I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Meyer Township, Menominee County, Michigan's auditor. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition to my retention.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management in performing my audit.

This information is intended solely for the use of the Meyer Township Board and management of Meyer Township, Menominee County, Michigan, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ray L. Payment". The signature is fluid and cursive, with a large loop at the beginning and a long horizontal stroke extending to the right.

Ray L. Payment
Certified Public Accountant